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New Partnership for Africa's Development: progress in implementation and international support

New Partnership for Africa's Development: tenth consolidated progress report on implementation and international support

Report of the Secretary-General

Summary

Following the adoption of the New Partnership for Africa's Development (NEPAD) as Africa's socioeconomic development framework, African countries, with the support of the international community, have taken policy actions to implement the NEPAD sectoral priorities and enhance their prospects of attaining the Millennium Development Goals. The present report, mandated by the General Assembly in its resolution 66/286, indicates that, the global economic slowdown and the lingering impact of the global financial and economic crisis notwithstanding, progress has been achieved in the implementation of NEPAD. The establishment of the NEPAD Planning and Coordination Agency and its integration into the structure and processes of the African Union have generated fresh momentum in the implementation of the NEPAD priority activities. With this new dynamic, good progress has been achieved, such as in the implementation of the Comprehensive Africa Agriculture Development Programme and of multi-country infrastructure initiatives.

In an uncertain and slow global recovery, however, the main challenge for African countries is to consolidate their gains and thereby ensure that the current turbulent economic situation does not reverse the progress made. To that end, as called for in the outcome documents of several global United Nations conferences, including the United Nations Conference on Sustainable Development, the Fourth United Nations Conference on the Least Developed Countries and the High-level

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Plenary Meeting of the General Assembly on the Millennium Development Goals at its sixty-fifth session, development partners should fulfil existing commitments so as to increase the quantity and effectiveness of development assistance. Since free and fair trade is an engine of growth that could broaden markets and generate employment, development partners should conclude the long-overdue Doha Round of multilateral trade negotiations with its development dimensions. For their part, African countries should also mobilize more resources from within the continent and strengthen regional integration to create larger markets and develop stronger economies with private-sector participation. They should also allocate greater resources to NEPAD priorities and undertake appropriate reforms to further encourage private-sector participation in NEPAD projects and promote public-private partnerships. As the second decade of NEPAD begins, African countries and the international community, including the United Nations, should strengthen their partnership for development on the basis of mutual responsibility and accountability. Furthermore, the United Nations should continue to accord priority to the special development needs of Africa. The post-2015 development agenda and the follow-up to and implementation of the outcomes of the United Nations Conference on Sustainable Development must pay particular attention to the needs of Africa.

I. Introduction

1. In its resolution 66/286, entitled "New Partnership for Africa's Development: progress in implementation and international support", the General Assembly requested the Secretary-General to submit a comprehensive report on the implementation of the resolution to the Assembly at its sixty-seventh session. The present report responds to that request.

2. Emphasis is laid herein on the policy measures taken by African countries and organizations in the implementation of the priorities of the New Partnership for Africa's Development (NEPAD), the response of the international community and the support provided by the United Nations system during the past year. Activities by the private sector and civil society in support of NEPAD are also highlighted. The report has benefited from information provided by Member States, the African Development Bank (AfDB), the NEPAD Planning and Coordinating Agency (NEPAD Agency), the secretariat of the African Peer Review Mechanism, the Organization for Economic Cooperation and Development (OECD) and entities of the United Nations system.

II. Action taken by African countries and organizations

3. NEPAD is a collective vision and a strategic socioeconomic development framework for Africa. Its main objective is to generate broad-based, sustained and equitable economic growth that allows Africa to reduce poverty and better integrate into the global economy. Translating this vision into action requires implementation of the key sectoral priorities of NEPAD in a manner that evolves in parallel with the emerging global economic and political realities. NEPAD provides unique opportunities for African countries to take full control of their development agenda, working more closely together and cooperating more effectively with the international community. Within the NEPAD context, each country is expected to design its own national blueprint consistent with NEPAD goals and assume responsibility for implementing NEPAD programmes at the national level. The Economic Commission for Africa and AfDB continue to provide critical support for the implementation of NEPAD programmes and projects at the regional level. The Office of the Special Adviser on Africa coordinates global advocacy for NEPAD and encourages increased international community support for the programme. In addition, the regional economic communities, which are the core institutions for Africa's economic integration, play a leading role in implementing projects at the subregional level.

A. Infrastructure

4. African countries continued to strengthen infrastructure development over the past year, with actions focused on transport, energy and water infrastructure. The establishment of the NEPAD Agency and its integration into the structure and processes of the African Union led to strengthened coherence and coordination of development efforts. The NEPAD Agency continued to provide support for the implementation of a joint priority infrastructure project for 2010-2015 with the African Union Commission. The project is based on the Programme for Infrastructure Development in Africa, which remains the framework for regional and continental infrastructure development in Africa.

5. In the area of regional integration and infrastructure, the NEPAD Agency facilitated the implementation of seven regional projects within the framework of the African Union-NEPAD Presidential Infrastructure Champion initiative, which was endorsed at the sixteenth session of the Assembly of the African Union, in January 2011. Progress was made in performing the necessary technical work, including feasibility studies and environmental impact assessments, and financing for the implementation of some projects was secured. The NEPAD Agency contributed to developing an implementation and monitoring framework for the initiative and to preparing status reports for its projects.

6. Following the identification of bioenergy as a NEPAD priority area for 2010-2014, the NEPAD Agency prepared two project concepts to inform the development of its biofuel programme, which will take place in consultation with key stakeholders. The first concept focuses on bioenergy issues at the smallholder level and the second on biofuel policy. The programme document for the former was finalized in collaboration with the United Nations University. Efforts are being made to raise funds for programme implementation. African countries are also working to ensure sustainable energy solutions within the context of the Secretary-General's global initiative on sustainable energy for all, which aims to ensure universal access to modern energy services, double the global rate of improvement in energy efficiency and double the share of renewable energy in the global energy mix.

7. To ease the energy shortage in Africa, the NEPAD Agency is working on a programme aimed at developing clean energy, using Africa's abundant solar energy. In addition, the NEPAD Agency facilitated capacity-building for African energy stakeholders in critical areas of electrical and renewable energies. Arrangements were also made with the International Energy Agency to open its programme of capacity development in energy to African energy stakeholders.

8. In the water and sanitation sector, the NEPAD Agency focused efforts on building and strengthening capacity in programme development and implementation by making full use of partnerships. For example, WaterAid agreed to provide short-term consultants to the Agency to support the development and implementation of its programmes. Both bodies also agreed to work together in undertaking regional and continental water and sanitation programmes and projects.

9. Given Africa's vast deposits of uranium, the NEPAD Agency is working to promote the development of nuclear energy in collaboration with the International Atomic Energy Agency. Efforts had previously focused on bringing nuclear energy stakeholders together to work towards the development of a home-grown programme on the use of nuclear power for electricity generation. Following the earthquake and tsunami in Japan and the subsequent explosion at the Fukushima nuclear plant in March 2011, however, the idea is now under review.

B. Agriculture and food security

10. Efforts continued to be made to promote agriculture development within the framework of the Comprehensive Africa Agricultural Development Programme (CAADP).

11. As at June 2012, 21 of the 30 countries that had signed CAADP compacts had prepared their national agriculture investment plans, with 18 having undertaken

technical reviews of their plans and organized meetings to mobilize funding for their implementation. African countries also continued to make progress towards meeting the target of allocating 10 per cent of national budgets to agriculture as set out in the Maputo Declaration on Agriculture and Food Security, with 6 meeting the target and 10 investing between 5 and 10 per cent of the budget. Moreover, 10 countries registered an annual growth rate in the agriculture sector of at least 6 per cent in the second half of 2011. Noteworthy is the increasing number of countries in the Southern African Development Community that are integrating CAADP into their agriculture development programmes. Mozambique and Seychelles signed their CAADP compacts, while South Africa held stakeholder consultations at the national and provincial levels with a view to finalizing its compact.

12. The Partnership for African Fisheries is consolidating its technical support to African Union member States as they implement responsive reforms in fisheries governance and trade. In October 2011, the Partnership completed its transformation from a programme within the NEPAD Agency and will now be managed as a special purpose vehicle, operating a common pool of funds within the NEPAD Agency structure. Through the special purpose vehicle, the NEPAD Agency and the Food and Agriculture Organization of the United Nations established a five-year programme (2011-2015) with a total budget of $12.9 million.

13. Under the Partnership, the NEPAD Agency provided technical assistance to the secretariat of the Economic Community of Central African States (ECCAS) to strengthen its capacity to coordinate fishery reforms in ECCAS member States so as to fully realize the potential of the fisheries sector in economic development. The NEPAD Agency also signed a memorandum of understanding with the Ministry of Agriculture of China to strengthen cooperation with regard to agriculture and fisheries.

14. To deal with the impact of climate change on agriculture, the NEPAD Agency developed an adaptation and mitigation framework that was endorsed by the African Union. A grant agreement in the amount of $1.5 million was also concluded under the TerrAfrica Leveraging Fund. Through this framework, African countries are receiving support in designing and implementing climate-smart agriculture adaptation programmes. The Niger and Togo, for example, finalized their strategic investment frameworks, while others, including Ethiopia, Ghana, Lesotho and Togo, harmonized their development initiatives with sustainable land management policies and strategic guidelines.

15. Another noteworthy example of progress was the successful mobilization of private-sector resources for the implementation of CAADP through the Pan African Agribusiness and Agro-industry Consortium. Emphasis will be laid on supporting the implementation of agricultural value chains in Africa.

C. Health

16. The NEPAD Agency continued to make key interventions aimed at meeting the NEPAD objectives on health, including improving Africa's health-care system and ensuring greater access to safe and affordable medicines for all Africans. Those objectives are aligned with the Millennium Development Goals, especially those relating to reducing child mortality (Goal 4), reducing maternal mortality (Goal 5) and combating HIV/AIDS, malaria and other diseases (Goal 6). Recognizing the

limited progress made, the NEPAD Agency focused its efforts during the period under review on scaling up progress towards attaining the Goals.

17. The African Medicines Regulatory Harmonization initiative remains the main policy framework guiding interventions in the health sector. The period under review saw the successful launch, in the United Republic of Tanzania, of a medicines regulatory harmonization project for the East African Community, in addition to training for Community health officials. An advisory committee was also inaugurated. The NEPAD Agency also mobilized financial and technical resources for the implementation of the initiative. A trust fund of $12.5 million was set up with seed money from the Bill and Melinda Gates Foundation and will be managed by the World Bank, which joined the initiative as a partner.

18. Another programme, Research for Health Africa, was introduced to assist African countries in strengthening their capacity to formulate policy. Progress was recorded in the use of the programme to achieve health equity, reduce poverty and contribute to socioeconomic development in Africa.

19. Another noteworthy development was the launch of Eval-Health, a research project aimed at developing and testing methodologies for monitoring and evaluating health-related interventions in developing countries. The NEPAD Agency worked on the methodology and instruments to be used to undertake case studies. A key constraint facing the project is the absence of staff specifically assigned to it.

D. Education and training

20. During the period under review, work was carried out in the education and training sector to promote human resource development for nurses and midwives in Africa, through negotiations with the Government of the United Republic of Tanzania for the deployment of graduate nurses and midwives in rural communities, using mobile clinics. In addition, the NEPAD Agency accorded priority to forestry education, seeking funding from the Government of Sweden for a workshop to finalize a postgraduate programme in forestry education.

21. Several ECCAS member States, including Chad, the Congo and Gabon, are implementing a programme to upgrade the education and qualifications of nurses and midwives, offering undergraduate and master's degree programmes. A grant of $1.5 million was received from the Government of China to support the programme. In addition, agreements were signed with universities already offering training in nursing and midwifery to serve as mentors for the Central African universities hosting the programme.

22. The project to establish a regional centre for mathematics, science and technology education continued to be pursued through efforts to engage the Governments of Gabon and South Africa to support the launch of the centre in Gabon.

23. Given the high unemployment rate among young people, African countries are stepping up efforts to develop skills through apprenticeships and vocational and technical education and training. The Economic Commission for Africa, the International Labour Organization and AfDB are working jointly to support African countries to increase the efficiency and effectiveness of existing employment programmes for young people.

24. Another programme with a direct impact on education is the Home-Grown School Feeding Programme, which promotes school attendance by providing schoolchildren with nutritious food and is implemented within the CAADP framework. Côte d'Ivoire, Ghana, Kenya, Mali and Nigeria are implementing national school feeding programmes sourced from local agricultural production. Other countries requested technical assistance in the design and management of such programmes. A case study was conducted in Botswana to assess the costs and benefits of the programme and thus inform national-level policymaking and decision-making processes.

E. Environment and tourism

25. Progress has been made in the implementation of the action plan of the environment initiative of NEPAD, seven years after its adoption. During the period under review, African countries and subregional organizations increased their efforts to implement key flagship programmes of the action plan, such as the Green Wall for the Sahara initiative, the Congo Basin Forest Partnership and the Climate Information for Development in Africa Programme. A noteworthy achievement was the enhanced implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol.

26. The NEPAD Agency, in collaboration with the African Union Commission and the African Ministerial Conference on the Environment, initiated a process to review the implementation of the action plan with a view to ensuring that it adequately reflected emerging issues and drew on lessons learned from the United Nations Conference on Sustainable Development process.

27. Efforts continued to support women and other vulnerable groups to cope with the effects of climate change on agriculture, mainly by strengthening and aligning the institutional and policy environments, building local capacity through training and shared learning and improving access to information, knowledge and technologies.

28. A natural resource governance programme was adopted as a flagship NEPAD programme by the NEPAD Heads of State and Government Orientation Committee at its twenty-fourth meeting, held in January 2011 in Addis Ababa. The programme focuses on ensuring that the African people reap the benefits of Africa's vast natural resources. Other interventions under this programme are aimed at strengthening governance in the management of natural resources. Efforts are being made to mobilize resources for the implementation of the programme and its projects.

29. The NEPAD Agency is facilitating the implementation of a West Africa water science project, which is intended to examine access to information and technology for improved management of water resources, including mechanisms for sharing information on water technology and management experiences among organizations and countries. It promotes appropriate technologies that support sustainable development and also provides public education and training.

30. In preparation for the United Nations Conference on Sustainable Development, the African Ministerial Conference on the Environment focused on developing an African common negotiating position on a comprehensive international climate change regime beyond 2012 and on developing a comprehensive framework of African climate change programmes. The activities on climate change of the NEPAD Agency were guided by that work.

31. Tourism is an important catalyst for development as it has positive spillover effects on other sectors of the economy. To mitigate the impact of the slow global economic recovery on tourism, and to make Africa an attractive destination, the African Union Commission and the NEPAD Agency are actively working in partnership with national, regional, continental and global organizations to promote a comprehensive programme of regional integration in the tourism sector. Several African countries developed tourism master plans with the assistance of the World Tourism Organization and other development partners.

F. Information and communications technology

32. Following a decision taken at the twenty-third meeting of the NEPAD Heads of State and Government Orientation Committee, held in July 2010 in Uganda, the NEPAD e-Africa Programme became the main framework for the information and communications technology priority sector. Its overarching objective is to ensure that every African country is connected to its neighbours through broadband fibre-optic links and that, in turn, Africa is linked to the rest of the world by broadband submarine cables.

33. The e-Africa Programme, tasked with developing policies, strategies and projects at the continental level for the development of information and communications technology throughout Africa, continued to advance the implementation of its key initiatives: the NEPAD information and communications technology broadband infrastructure network for Africa and the NEPAD e-Schools initiative.

34. With regard to terrestrial connectivity, the e-Africa Programme, with funding from the European Union, will undertake two broadband studies covering Central Africa and West Africa that are expected to be completed in the first quarter of 2013. They are expected to culminate in the development of bankable projects complete with network designs and business plans for the implementation of regional cross-border networks. It is expected that the availability of business plans will expedite the mobilization of investment funds for projects under the Programme for Infrastructure Development in Africa. The studies will also facilitate the development of a geographic information systems database and an interactive map of regional broadband connectivity.

35. To improve the enabling environment for information and communications technology development, the NEPAD Agency is collaborating with the African Union Commission in developing an African Union convention on the establishment of a credible legal framework for cybersecurity in Africa, modelled on the Convention on Cybercrime. During the first half of 2012, the draft convention was reviewed by stakeholders in the regional economic communities. It is now ready for submission to the Conference of African Ministers in Charge of Communication and Information Technologies and, subsequently, to the Assembly of the African Union at its twentieth ordinary session, in January 2013.

36. Progress also continued in the implementation of the Uhurunet submarine cable and the Umojanet cross-border terrestrial network. With regard to the former, a notable achievement was the finalization of the construction and maintenance agreement and the supply contract for the Africa Coast to Europe/Uhurunet cable.

This segment of the cable will stretch from France to South Africa and will connect all countries on the west coast of Africa.

37. Following the participation of 80 schools in 16 African countries in the NEPAD e-Schools initiative, the NEPAD Agency is preparing a monitoring and evaluation study of the demonstration phase to assess the impact of the use of universal access funds to support electronic education. During the reporting period, the NEPAD Agency also reviewed an electronic education project in Uganda. One recommendation emerging therefrom was that multi-stakeholder national implementation agencies or mechanisms should be set up to coordinate electronic education in individual countries.

G. Science and technology

38. During the period under review, the NEPAD Agency continued to promote innovation, encourage partnerships, facilitate knowledge-sharing and improve the volume and quality of research and development throughout Africa with the continuing implementation of the Science and Technology Consolidated Plan of Action.

39. Following the official launch of the second phase of the African Science, Technology and Innovation Indicators initiative, in May 2011, the number of African countries benefiting from capacity development in conducting research, development and innovation surveys grew from 19 to 28. In October 2011, a workshop was held in collaboration with the Government of Cameroon, leading to the elaboration of a set of standard research, development and innovation surveys to be used by African Union member States in the business, Government, higher education and non-profit sectors. The NEPAD Agency established an advisory committee to guide the initiative, comprising experts from Africa and international organizations.

40. Within the framework of the African Biosciences initiative, the Southern Africa Network for Biosciences prepared flagship publications. Through the Network, 30 scientists studying for doctoral and master's degrees from the region were trained, with an appreciable increase in female research scientists. More than 300 participants benefited from 13 special skills courses in fish farming, mushroom production, technology transfer and commercialization, intellectual property management, project management, information and communications technology and database management, and science communication.

II. Gender mainstreaming, women's empowerment and civil society participation

41. During the period under review, the NEPAD Agency continued to implement activities in relation to gender mainstreaming, women's empowerment and gender equality. It completed the alignment process between its gender programme and the 10 themes of the African Women's Decade by allocating funds for maternal health and mortality priorities. Under the NEPAD/Spanish Fund for African Women's Empowerment, technical support in monitoring projects was provided through funding from the first phase. That support led to the completion of three projects, bringing the number of completed projects to 38 (of the 46 projects approved).

Under the second phase of the Fund, 31 projects were approved, for a total of €8.2 million. The project proposals covered three priority sectors: economic empowerment, civil society strengthening and institutional strengthening.

42. Progress was recorded in the implementation of a project to establish business incubators for African women entrepreneurs in the Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of West African States (ECOWAS). The two bodies will receive a maximum of €1 million each for the duration of the pilot phase. The first tranche of funding, amounting to €263,120, was transferred to COMESA following the validation of the first phase of the implementation plan in January 2012. In July 2012, ECOWAS and the NEPAD Agency signed a grant agreement worth €1 million, paving the way for the implementation of the project.

I. African Peer Review Mechanism

43. During the period under review, the African Peer Review Mechanism consolidated its position as the African Union flagship programme on governance. As at July 2012, 31 countries had joined the Mechanism: Algeria, Angola, Benin, Burkina Faso, Cameroon, Congo, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, Sudan, Togo, Uganda, United Republic of Tanzania and Zambia.

44. Sierra Leone was peer-reviewed during the sixteenth Summit of the Committee of Participating Heads of State and Government of the African Peer Review Mechanism (the African Peer Review Forum), held in January 2012. As at July 2012, 15 countries had been peer-reviewed: Algeria, Benin, Burkina Faso, Ethiopia, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa and Uganda. Other countries are at various stages of the review process: the United Republic of Tanzania received a country review mission in March 2012 and Gabon completed its country self-assessment, paving the way for a country review mission in the final quarter of 2012. Progress reports on the implementation of national programmes of action by Algeria, Burkina Faso and Uganda were submitted and reviewed by the Forum.

45. To increase ownership by member States and strengthen the financial situation of the Mechanism and ensure its sustainability, at its sixteenth Summit the Forum adopted operating procedures for the Mechanism, establishing a committee of focal points and advisers to Heads of State and Government as part of the Mechanism's structures. The committee will oversee the financial and budgetary matters of the Mechanism.

46. With the technical and financial support of its strategic partners (AfDB, the Economic Commission for Africa and the United Nations Development Programme), the Mechanism revised its tools and instruments to make them more relevant and take into account emerging governance issues, such as the governance of organizations, the funding of political parties, the role of education in governance and development, and international and regional best practices. Consequently, a revised master questionnaire aiming at strengthening and further enhancing the credibility of the review of countries was adopted by the Forum at its seventeenth Summit, in July 2012.

III. Response of the international community: building on the momentum of international support for Africa's development

A. Introduction

47. The difficult geopolitical environment and the slowdown of the world economy notwithstanding, growth in Africa was resilient, with sub-Saharan Africa registering a growth rate of 4.5 per cent in 2011. Although the increase in commodity prices was important in the continent's recovery from recession, the improved economic performance was also testament to the enormous efforts by African countries to reform their economies, tackle conflicts and strengthen governance. Nevertheless, its improved performance notwithstanding, Africa's growth is considerably below the pre-crisis level of 6.5 per cent and inadequate to reduce poverty significantly.

48. Against the backdrop of an uncertain global economic outlook and the need to consolidate recent socioeconomic gains by African countries, a strengthened and sustained global partnership will be critical. Over the years, development partners have made commitments to Africa's development needs, including the implementation of NEPAD priorities. The implementation of those commitments will be critical in helping African countries to overcome their development challenges and make progress towards achieving the Millennium Development Goals and implementing NEPAD programmes. To date, limited progress has been made in that regard. For example, according to OECD, only half of the commitment to more than double annual official development assistance (ODA) to Africa made by the Group of Eight at its 2005 summit in Gleneagles, United Kingdom of Great Britain and Northern Ireland, has been implemented. In 2009, at its summit in L'Aquila, Italy, the Group of Eight launched the L'Aquila Food Security Initiative, earmarking $20 billion for agriculture in low-income countries to help them to reverse the growing vulnerability of food and agricultural systems and to meet targets to halve hunger and poverty. Owing to the global financial crisis, however, donor countries are holding back funds for agriculture, with only one fifth of the $20 billion disbursed.

49. In 2012, during its summit held in Maryland, United States of America, the Group of Eight committed itself to fulfilling the outstanding financial pledges under the L'Aquila Food Security Initiative. Building on that initiative, the Group of Eight launched a new alliance for food security and nutrition, an ambitious, results-oriented initiative aimed at lifting 50 million people out of poverty over the coming 10 years by mobilizing private capital for Africa's agriculture and scaling up investment and technology to enhance agricultural productivity. Private-sector firms pledged to invest more than $3 billion in Africa's agriculture.

50. To bring greater focus to the issue of food security, the Secretary-General launched what he termed a "zero hunger challenge" during the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, in June 2012. The five main objectives of the challenge are to ensure 100 per cent access to food for all throughout the year; to end stunting among children under 2 years of age stemming from a lack of nutrients during pregnancy and in the early days of life; to ensure that food systems are sustainable; to double smallholder productivity and income; and to reduce food waste, both at the farmer level resulting from a lack of suitable storage and among consumers. The High-level Task Force on the Global

Food Security Crisis will be reoriented to focus on this initiative, while continuing to serve as a platform for the Secretary-General and the wider United Nations system that covers all dimensions of food and nutrition security.

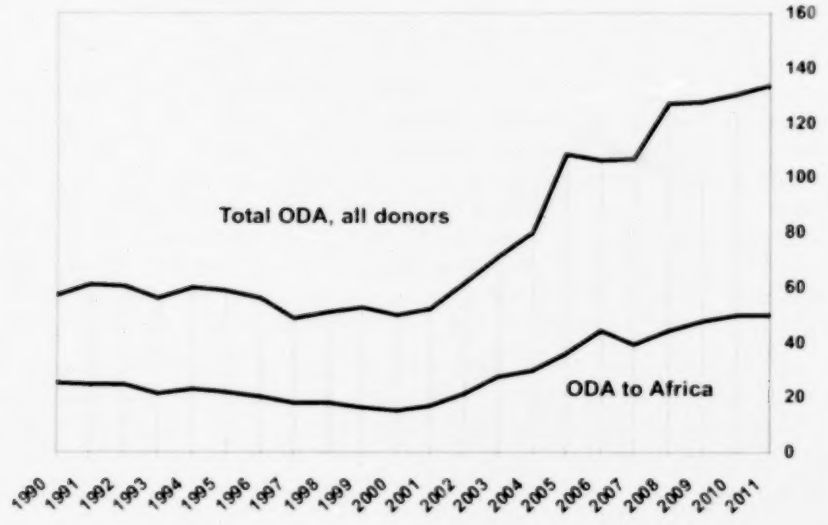
51. At the United Nations Conference on Sustainable Development, the participants reaffirmed their commitment to the full implementation of existing pledges, including those made in Agenda 21, the Programme of Action for the Least Developed Countries for the Decade 2011-2020, the political declaration on Africa's development needs adopted by the General Assembly in its resolution 63/1 and NEPAD.

B. Official development assistance

52. According to OECD, total ODA from all donors increased from $128.5 billion in 2010 to $133.5 billion in 2011. Flows to Africa grew modestly, from $47.96 billion in 2010 to $50 billion in 2011 (see figure). As a proportion of the total OECD global aid allocation in 2011, Africa's share remained virtually unchanged at 37 per cent.

Total official development assistance from all donors

(Billions of current United States dollars)



Source: Based on the OECD/Development Assistance Committee online database, 2012.

53. The increase in ODA to Africa since 2004 notwithstanding, the flow continues to fall short of pledges. To date, Africa has received only around half of the pledged increase made at the Group of Eight summit in Gleneagles. The shortfall can be attributed to global ODA compared to commitments, on the one hand, to Africa's lower than anticipated share of the total increase in ODA, on the other.

54. In the light of the less promising outlook for the near future, implementation of the aid effectiveness agenda assumes ever-greater importance. During the reporting period, donors and recipients continued to implement the Paris Declaration on Aid

Effectiveness and the Accra Agenda for Action. Substantial progress was made in untying aid, with the OECD Development Assistance Committee reporting that, on average, 86 per cent of aid was untied. Progress in other areas of the Declaration, most notably the use of country systems, remains limited, however.

55. Building on the principles of the Paris Declaration and the Accra Agenda for Action, the Busan Partnership for Effective Development Cooperation, adopted at the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in 2011, reaffirmed commitments to effective development cooperation. One of the most important outcomes of the Forum was the recognition of the important contribution of South-South cooperation to international development as a complement to North-South cooperation and of the need to embed the principles of aid effectiveness in development cooperation on a voluntary basis. Donor countries also committed themselves to strengthening mutual accountability to one another, the intended beneficiaries, their citizens and other stakeholders. While recognizing the considerable progress made, the participants called for further efforts to improve the quality, consistency and transparency of reporting on the untying of aid.

C. Debt relief

56. International efforts to tackle the debt problems of African countries continued under the framework of the heavily indebted poor countries and multilateral debt relief initiatives and at the bilateral level.

Current and potential beneficiaries of the heavily indebted poor countries and multilateral debt relief initiatives (as at June 2012)

Status	*Countries*
27 post-completion point countries	Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Ethiopia, Gambia, Ghana, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Togo, Uganda, United Republic of Tanzania, Zambia
3 interim countries (between decision and completion point)	Chad, Comoros, Guinea
3 pre-decision-point countries	Eritrea, Somalia, Sudan

Source: International Monetary Fund, as at June 2012.

57. As can be seen from the table, 27 African countries had reached the post-completion point as at June 2012 and were thus receiving full debt relief. In June 2012, Côte d'Ivoire was granted debt relief of $3.87 billion from the International Monetary Fund (IMF) and the World Bank, in addition to the debt cancellation recently announced by the members of the Paris Club. Consequently, its debt will be cut by $6.5 billion. Chad, Comoros and Guinea reached the decision point and are receiving interim debt relief.

58. The debt burden of African countries has been considerably reduced through global and bilateral efforts to address the debt problem of developing countries. IMF data show that Africa's external debt fell from 73 per cent of gross domestic product (GDP) in 1994 to 21 per cent in 2010. For example, for countries receiving debt relief, debt service paid, on average, declined by about two percentage points of GDP over the period 2001-2010, creating much-needed fiscal space for African countries to accelerate spending on and investment in poverty reduction measures.

59. Debt sustainability came under pressure as a result of the global financial and economic crisis, however. Of the 19 countries that IMF classified as experiencing debt distress in 2010, three were African heavily indebted poor countries: Comoros, Côte d'Ivoire and Liberia. The debt situation of those countries has, however, since improved as the global economy has recovered. The fragility of that recovery and the euro zone debt crisis may nevertheless imperil long-term debt sustainability and increase the need to focus on improving debt management capacity in African countries, which is crucial for sound fiscal management.

D. Foreign direct investment

60. Foreign direct investment inflows to Africa continued the downward trend experienced since the onset of the global financial and economic crisis in 2008. According to the United Nations Conference on Trade and Development, inflows declined marginally from $43.1 billion in 2010 to $42.7 billion in 2011, a further decline from $52.6 billion in 2009. The continent's share in global flows declined from 3.3 per cent in 2010 to 2.8 per cent in 2011. Global economic uncertainty poses significant risks to the region's capacity to mobilize inflows. The negative impact on commodity prices, coupled with heightened risk aversion on the part of investors, may further reduce flows to Africa.

61. Performance was mixed among the subregions, with declines in inflows to North and Central Africa and increases elsewhere. According to the United Nations Conference on Trade and Development, in terms of the sectoral distribution of inflows, the primary sector received the lion's share (43 per cent), followed by manufacturing (29 per cent) and services (28 per cent). Viewed over a longer period, however, the relative importance of the primary sector appears to be in decline.

62. As the relative importance of traditional partners as sources of investment declines over time, emerging countries have strengthened their position with their share in inflows to Africa steadily increasing. Several emerging countries, including China, India and the United Arab Emirates, invested in Africa in 2011. These and other investors are increasingly attracted to the continent owing to its abundant natural resources and opportunities for profit presented by rising income and number of consumers. Furthermore, African countries have made significant efforts to reform their economies and to create a business-friendly environment. According to the World Bank's annual "Doing business" report for 2012, 13 African countries have featured in the World Bank's list of top 10 reformers over the past five years. Consequently, several African countries compare favourably with rapid-growth markets in other regions on the Bank's "ease of doing business" ranking.

E. Trade

63. Although the Eighth Ministerial Conference of the World Trade Organization (WTO), held in Geneva in December 2011, reaffirmed the importance of a rules-based multilateral trading system, no progress was made in the Doha Round of trade negotiations towards reaching an agreement on issues affecting Africa, including agricultural market access and subsidies. WTO launched a work programme to improve the accession process for least developed countries, which will benefit several African countries, including Equatorial Guinea, Ethiopia, Liberia, Sao Tome and Principe and the Sudan. A decade since its launch, the conclusion of the Doha Development Agenda remains elusive.

64. At its 2012 summit, the Group of Eight reaffirmed the importance of robust trade as an important driver of strong, sustainable and balanced growth, pledging to refrain from protectionist measures, protect investments and pursue bilateral, plurilateral and multilateral efforts consistent with and supportive of the WTO framework.

65. The third global review of the Aid for Trade initiative, held in Geneva in September 2011, showed that progress was being made in strengthening the trade-related capacity of some of the world's poorest countries. It indicated that African countries were increasingly engaging their development partners and, consequently, greater resources were being mobilized for aid for trade. Developing countries, including the least developed countries, have been making progress in mainstreaming trade in their national development strategies. For example, global aid for trade resources grew to $40.1 billion in 2009 (the latest year for which data were available), of which Africa accounted for 40 per cent ($17 billion). The bulk was directed to economic infrastructure and support to build productive capacity.

F. South-South cooperation

66. South-South cooperation remained important for Africa's development, complementing North-South cooperation. Its role as a major driver of development cooperation was recognized at the Fourth High-level Forum on Aid Effectiveness. Regional integration efforts and cooperation with developing countries continued to support Africa's economic transformation.

67. Cooperation activities between Africa and leading emerging development partners, such as Brazil, China and India, continued during the period under review. The Government of Brazil took steps towards forging a strategic alliance with Africa in various sectors with the support of its national development bank. In May 2012, the National Bank for Economic and Social Development organized a seminar on investing in Africa and opportunities, challenges and instruments for economic cooperation. Held in Rio de Janeiro, it brought together Brazil's business and political elites, high-level representatives of multilateral and regional development banks, and African institutions. During the event, a special fund to finance development projects together with multilateral lenders such as AfDB and the World Bank was announced.

68. China's commitment to Africa was shown through donations. In January 2012, China donated a conference centre and office complex to the African Union, together with ¥600 million for the Union's activities over the coming three years. In

July 2012, it deepened its strategic partnership with Africa at the Fifth Ministerial Conference of the Forum on China-Africa Cooperation. China made pledges for the coming three years in five key areas, including to provide a $20 billion credit line to African countries to develop infrastructure, agriculture, manufacturing and small and medium-sized enterprises. It will promote intraregional trade facilitation in Africa and peace, security and development. It also pledged to promote people-to-people friendship, to implement an African talents programme to train 30,000 personnel in various sectors, to offer 18,000 Government scholarships, to send 1,500 medical personnel to the continent and to carry out projects to provide safe drinking water.

69. India intensified its cooperation, focusing on education and capacity-building. Under the India-Africa Forum process, India pledged to develop 80 capacity-building institutions. Among the initiatives are an institute of foreign trade, an institute of educational planning and administration, an institute of information technology, a centre for medium-range weather forecasting, support for the Pan-African University Institute for Life and Earth Sciences, an institute of agriculture and rural development and a civil aviation academy. Humanitarian programmes have provided food aid, medical care and cash transfers to support countries affected by natural disasters. As at April 2012, 516 scholarships had been awarded to African students, with the number set to increase to 900 by the end of 2012. Academic cooperation increased, with the establishment of chairs to promote Indian studies in countries such as Mauritius, Nigeria and South Africa.

G. Millennium Villages project

70. During the period under review, the Millennium Villages project continued to accelerate progress towards the achievement of the Millennium Development Goals at 10 sites in sub-Saharan Africa. With the help of new developments in science and technology, the project works with villages to create and facilitate sustainable, community-led action plans that are tailored to the villages' specific needs and designed to achieve the Goals.

71. Progress reports published after the first five years of operations indicate that the project is making progress towards the Goals. In the agriculture sector, improved seeds and fertilizers, coupled with farmer training, at least doubled crop yields in the first few years of the project. In turn, levels of chronic undernutrition have decreased. In education, levels of primary school enrolment have increased and the student-teacher ratio has dropped. There have been important advances in cutting child and maternal mortality rates. Achievements in the health sector are due in part to the building and refurbishing of clinics, and a supply of appropriate levels of staff and equipment, including water, electricity and essential drugs. In addition, ambulances, mobile phone coverage and improved roads have helped to strengthen the health system. Free primary health care at the point of service has been introduced at all sites. The project has also introduced a system of trained, remunerated community health workers. Through partnerships with Governments and the private sector, communities have made gains in improving access to basic infrastructure. Innovations such as metered solar energy systems, improved cooking stoves and mobile phone-based information technology are beginning to bring better services and new opportunities for growth to the communities. Throughout the

villages, hundreds of kilometres of water pipes have been installed, bringing safer water points closer to tens of thousands of homes.

72. The proof of concept derived from the project is beginning to be applied for national programming in several countries. The lessons learned from the project are being mainstreamed into national policies, and several Governments are using the project framework to scale up integrated rural development policies at the national level.

IV. Support provided by the United Nations system

A. General

73. The United Nations system makes an important contribution as one of the main pillars of international support for the implementation of NEPAD. Support by the entities of the United Nations system at the regional, subregional and national levels takes various forms, ranging from technical assistance, capacity-building and funding to advocacy and normative work. The most recent report by the Secretary-General on United Nations system support for NEPAD (E/AC.51/2012/5) contains detailed information on the nature and scope of the support provided during the past year.

74. In October 2011, to commemorate the tenth anniversary of NEPAD, the Office of the Special Adviser on Africa, together with other United Nations entities, played a key role in raising awareness at the global, regional and national levels of the achievements of NEPAD. This included the organization of a NEPAD week at the sixty-sixth session of the General Assembly to strengthen partnerships in support of the implementation of NEPAD.

B. Strengthening of the Regional Coordination Mechanism of United Nations agencies and organizations working in Africa in support of the African Union, its New Partnership for Africa's Development and the cluster system

75. During the period under review, the United Nations system continued to provide technical and institutional support to NEPAD. Its entities continued to align their activities with African Union priorities through the finalization of Regional Coordination Mechanism cluster business plans. Significant progress was also made in the establishment of subregional coordination mechanisms, in particular that for Eastern and Southern Africa, which was launched as a pre-event of the twelfth session of the Regional Coordination Mechanism, in November 2011.

76. Among its main achievements, the Mechanism extended support in servicing African Union summits, in implementing various programmes for Africa's development, including CAADP and the Programme for Infrastructure Development in Africa, and in mainstreaming cross-cutting issues such as gender and employment in the work of the United Nations agencies and organizations working in Africa.

77. The joint United Nations-African Union secretariat of the Mechanism completed an exercise to help United Nations agencies and organizations to develop a multi-year work programme for the NEPAD Agency, a necessary task in support of

its transformation from its erstwhile secretariat role to that of a technical agency of the African Union. The work programme is now being implemented.

78. At its twelfth session, the Mechanism made significant progress towards the implementation of a 10-year capacity-building programme for the African Union. The participants sought to clarify the concept of capacity-building and considered a draft comprehensive work programme. Recommendations were made on the development of an effective monitoring and evaluation mechanism for the work programme. To strengthen coherence and synergies, the need for financial resources to implement business plans was underscored as a key challenge. To facilitate the implementation of capacity-building support to the African Union, a comprehensive work programme for the United Nations system, outlining the priority areas of the African Union and NEPAD, the expected specific support by the nine Mechanism clusters and frameworks for monitoring and evaluating the implementation of United Nations capacity-building interventions, was finalized.

79. The United Nations Inter-agency Task Force on Africa, chaired by the Special Adviser on Africa, continued to provide an effective framework for the entities of the United Nations system to share expertise and experience. Among other activities, the Task Force actively participated in the preparation of the reports of the Secretary-General on United Nations system support to NEPAD and on the causes of conflict and the promotion of durable peace and sustainable development in Africa, and in the consultation process on the establishment of a monitoring mechanism to review commitments related to Africa's development needs.

V. Conclusions and recommendations

80. **African countries have made good progress in the implementation of NEPAD sectoral priorities, in particular in the areas of governance, infrastructure, information and communications technology and agriculture, while progress has been made by the international community in providing debt relief, ODA and aid for trade. As NEPAD enters its second decade, and moves further into the implementation phase, meeting Africa's development needs and implementing effectively and fully the NEPAD agenda require clear resolution and leadership to turn the ideals and vision of the founders of NEPAD into policy actions and reality.**

81. **Efforts to promote national and regional infrastructure development in Africa notwithstanding, the structural deficit in infrastructure remains a serious impediment to economic growth and poverty reduction. To overcome this, African countries should maintain the trend of increasing investment in infrastructure by allocating greater resources, continuing regulatory reform processes and enhancing cross-border initiatives in the context of the Programme for Infrastructure Development in Africa. They should also further improve the capacity of the African Union Commission, the NEPAD Agency and the regional economic communities.**

82. **Efforts must be made by African Governments and their development partners to increase investment in science, technology and innovation to take full advantage of progress, including in increasing value addition in natural resources, job creation and the achievement of the Millennium Development Goals.**

83. **Progress has been made in efforts to implement gender equality commitments by strengthening social policy and enacting laws to promote women's socioeconomic rights in Africa. Those improvements notwithstanding, challenges and constraints persist, including labour market conditions that restrict women's access to employment and sociocultural barriers that remain major impediments to the participation of women, who face income and job insecurity. As reiterated at the United Nations Conference on Sustainable Development, Africa and its development partners must accord priority to measures to promote gender equality and women's empowerment in all spheres of society. African countries should continue actions to promote parity in policies and decision-making, including actions in relation to constitutional reform.**

84. **Given the importance of agriculture in the development of the continent and to ensure food security and to be prepared for future food crises, African States must make progress towards achieving the target of allocating 10 per cent of national budgets to agricultural development and exceed the target of 6 per cent growth in the agriculture sector.**

85. **The progress made by African countries in terms of governance notwithstanding, much room for improvement remains. In particular, African countries should take steps to further improve economic and political governance. Countries that have been peer-reviewed should fully implement the recommendations contained in the national programmes of action, with support from development partners as necessary.**

86. **Africa's share of the global agriculture market is extremely low and has further decreased in recent years. In this context, development partners should take bold steps to successfully conclude trade negotiations with development dimensions, which would reduce trade-distorting subsidies for agriculture products, increase African farmers' access to markets and reduce or phase out barriers to trade at the national and global levels.**

87. **Tremendous development gains in Africa are possible if the international community translates its commitments into results. In the area of development assistance, as reiterated at the United Nations Conference on Sustainable Development, development partners should meet their ODA commitments and deliver on the pledges that they made in the Busan Partnership for Effective Development Cooperation.**

88. **Although some African countries have been granted substantial debt relief, there is a need to extend the heavily indebted poor countries and multilateral debt relief initiatives to African countries that are not heavily indebted poor countries, such as middle-income and low-income countries, given that the impact of the euro zone crisis and the slow global economic recovery could jeopardize their debt sustainability or reduce their resource mobilization capacity.**

89. **In line with the outcome document of the United Nations Conference on Sustainable Development (General Assembly resolution 66/288, annex), in which the green economy is considered an important tool for achieving sustainable development, developed countries should increase their support for the implementation of green growth policies in Africa. To that end, they could develop an investment strategy to facilitate the transition towards a green economy.**